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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 1, 2008

Erwin Sass, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Subject: Revision to Degas Amendment- 30 Day Commitment, Task ID #2882, Canyon Fuel Company, LLC, Dugout Mine, C/007/0039

Dear Mr. Sass:

As part of the conditional approval for the construction and operation of Degas Wells G-18, G-31 and the AMV road at the Dugout Canyon Mine Facility (Task ID #2846), Canyon Fuel Company was required to submit as-built drawings of various elements of the project within 30 days of construction. On November 21, 2007 the Division received two drawings depicting: an as-built profile of the AMV road, cross sections of the topsoil stockpiles associated with the AMV road, as well as selected cross-sections of the AMV road itself. The 30-day commitment to supply the drawings to the Division (as requested) was met, however, a technical deficiency was identified.

Dugout representative, Vicky Miller, indicated that a more thorough and complete set of as-built drawings would be submitted to the Division once the site could be accessed and additional surveying could take place. Ms. Miller indicated that the additional field work/surveying would address the deficiency and requested an extension to May 1, 2008 to submit the drawings. The Division granted the extension.

On April 21, 2008, the Division received a letter from Ms. Miller requesting an extension to July 21, 2008 to submit the drawings. Ms. Miller indicated that due to excessive snowfall, the site is still inaccessible and the additional fieldwork cannot be completed at this time.

The Division is in agreement with the request for an extension. Canyon Fuel Company will re-submit the as-built drawings on July 21, 2008, at which point, Division staff will schedule a field visit with a Dugout representative to field verify the drawings.



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If you have any questions, please call me at (801) 538-5262 or Steve Christensen at (801) 538-5350.

Sincerely,

A handwritten signature in black ink, appearing to read "J.D. Smith". The signature is fluid and cursive, with the first name "J.D." and the last name "Smith" clearly distinguishable.

James D. Smith
Permit Supervisor

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DEFICIENCY
Task ID #2882

R645-301-150, The Permittee must provide the Division with an index map that depicts the locations of the submitted information: soil stockpiles and road cross-sections.